Report on Enforcement of Drug Laws

3792. SHRI V. HANUMANTHA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the panel set up recently on enforcement of drug laws has since submmitted its report to Government;

(b) if so, what are the main recommendations contained in the Report and whether the same have been accepted ; and

(c) how soon Government propose to implement them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) No such panel on enforcement of drug laws has been set up by the Government. However, a Committee has been set up to undertake a comprehensive review of the present arrangements for dealing with problem of drug abuse. This Committee has yet to submit its report.

(b) and (c) Do not arise.

Setting up of Financial Services Company by Bank of America

3793. SHRI N. E. BALARAM :

SHRI INDER KUMAR GUJRAL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Bank of America has been permitted by an authorised Committee of the Government of India to set up a Financial Services Company;

(b) whether in the proposed Financial Services Company the Bank of America will be holding 80 per cent equity;

(c) whether the Bank of America has come in for adverse comments in the JPC Report; and

(d) the reasons for Government to allow this ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a), (b) and (d) Reserve Bank of India (RBI) have reported that Bank of America International Financial Corporation, a subsidiary of Bank of America Corporation, has been permitted by Foreign Investment Promotion Board (FIPB) to establish a subsidiary company to undertake financial services. The foreign equity permitted by FIPB amounts to 75% of the equity capital of the proposed company. Formal application to RBI seeking approval under Foreign Exchange Regulation Act, 1973 is yet to be made by the bank.

(c) Yes, Sir.

Abolishing Excise Levies on Biscuits

3794. SHRI B. K. HARIPRASAD : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that presently biscuits produced by the organised sector are subject to excise duty ; if so, to what extent;

(b) whether Government are aware that biscuits have become essential food for the masses, including the poor which provide them with nutrition at affordable expenses; and

(c) whether Government exempted luxury-oriented items like tooth-paste, cosmetics, ice-cream, etc. from the purview of excise levy; if so, whether Government would consider abolishing excise levies on biscuits manufactured by the organised sector ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Biscuit is levied to excise duty of 10% ad valorem.

(b) Biscuits are used by wide cross section of the people and the prices also vary widely depending upon quality, brand name, type etc.

(c) No, Sir.

Discharging the Functions of Vice-chairman/Member of a Bench of Settlement Commission

3795. SHRI GOPALSINH G. SOLANKI : Will the Minister of FINANCE be pleased to state :

(a) whether under the provisions of sub-section (#) of Section 245BA of Income Tax Act 1961, the Chairman of Principal

Bench of Settlement Commission (Income Tax and Wealth Tax) can authorise the Vice-chairman or other Members appointed to the Bench to discharge functions of Vice-chairman or, as the case may be, other Member of another Bench; if so, the details in this regard; and

(b) whether under these provisions, Vice-chairman of one Bench can be authorised to discharge functions of a Member of another Bench?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir.

Concessional Loans from IMF to Retire Debts

3796. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are planning to evolve a strategy to retire a part of its debts with the help of concessional loans from the I.M.F. under its Enhanced Structural Adjustment Facility (ESAF);

(b) the total amount of foreign debt as on 1st February, 1993; and

(c) the amount of non-concessional component in this loan burden?

THE MINISTER OF STATE IN THE MINSTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The Government is desirous of retiring high cost debt and for the present has decided to pre-pay the outstanding to IMF due for 1994-95 out of its own foreign exchange reserves. As regards concessional assistance from the IMF under ESAF at a future date, a view will be taken depending on our external payment position.

(b) and (c) Accounts of the Government are maintained on financial year basis. Therefore, information as on 31-3-94 as published in Economic Survey 1993-94 is given below:

	Rupees in crores	U. S. S. Million
(a) Multilateral		
(i) Concessional	48206	15503
(ii) Non-concessional	29552	9505
(b) Bilateral		
(i) Concessional	43463	13978
(ii) Non-concessional	6795	2176
(c) IMF	14985	4799
(d) Export Credit	13484	4322
(e) Commercial Borrowing	36251	11606
(f) NRI and F(B&O) Deposits	35265	11238
(g) Rupee Debt	33149	10616
(h) Short-term Debt	19827	6347
TOTAL	280977	90090

Weeding Out Corrupt Staff in Banks

3797. SHRI RAJNI RANJAN SAHU: SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) whether a process has been initiated to weed out the corrupt staff in banks under a scheme for reorganisation of the banks;

(b) if so, what are the details of the scheme; and

(c) what steps have so far been taken in pursuance thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V.